

Senate Committee
on
Budget and Fiscal Review

SUBCOMMITTEE 2
Resources, Environmental Protection, and
Energy

MAJOR ACTION
REPORT

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Members

Sheila Kuehl, Chair
Robert Dutton
Alan Lowenthal

Consultant

Keely Martin Bosler

SUBCOMMITTEE No. 2

RESOURCES, ENVIRONMENTAL PROTECTION, AND ENERGY

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NATURAL RESOURCES

0540 SECRETARY FOR RESOURCES

- Approved \$30.9 million from resources bond funds for grants to acquire and develop River Parkway projects.
- Approved \$11.7 million from resources bond funds for grants to acquire property in the Sierra Nevada Cascade region of the state.
- Transferred \$10.9 million (\$6 million GF) and 21 positions from the Bay-Delta Authority to the Secretary for Resources to support a core leadership staff for the CALFED program and the Science Program. The Secretary for Resources will continue to support the public forums and stakeholder processes currently supported by the Bay-Delta Authority and will provide leadership on the development of a Delta Action Plan.
- Approved trailer bill language to direct the Secretary for Resources to develop a long-term Delta vision and action plan to create a sustainable Delta. This plan should include the definition of a sustainable Delta, measurable goals and objectives, the necessary institutional structures to implement the plan, a strategic financing plan, a contingency plan and adaptive management strategies.
- Approved supplemental report language to require the Secretary for Resources, by October 1, 2006, to report on the actions it will take, other than study, in the next fiscal year to stabilize the ecosystem in the Delta and to address the Pelagic Organism Decline.

3110 SPECIAL RESOURCES PROGRAMS

- Approved \$572,000 from special funds to fund the replacement of a permit tracking system for the Tahoe Regional Planning Agency.

3125 CALIFORNIA TAHOE CONSERVANCY

- Approved \$20.7 million mainly from resources bond funds for projects to implement the Environmental Improvement Program to restore and protect the environment in the Lake Tahoe Basin.
- Approved \$180,000 GF to initiate regular maintenance on urban parcels treated to reduce forest fire fuels.

3340 CALIFORNIA CONSERVATION CORPS

- Approved \$8.2 million GF to maintain core funding for the California Conservation Corps programs.
- Approved \$1.5 million from resources bond funds for resource conservation projects undertaken by the California Conservation Corps and \$616,000 from resources bond funds for projects undertaken by local conservation corps statewide.
- Approved \$26.2 million in lease revenue bonds to increase funding for the Tahoe Base Center Relocation project to reflect a revised cost estimate based on property availability.

3460 COLORADO RIVER BOARD

- Approved as budgeted.

3480 DEPARTMENT OF CONSERVATION

- Approved \$896,000 from special funds to increase the department's enforcement of the Williamson Act.
- Approved \$8.9 million from resources bond funds for grants to conserve agricultural lands.
- Approved \$904,000 from special funds to establish eight new positions to combat fraud in the Beverage Container Recycling Program and \$5.2 million to implement a new information technology project to improve the department's ability to provide timely remittances and identify fraud.
- Approved \$521,000 from special funds to improve regulation of oil and gas extraction activities in California.
- Approved \$1.5 million from special funds to establish a new Acute Orphan Well Account that will be used to plug abandoned wells that pose an immediate danger to human health and safety.
- Approved \$561,000 from special funds to accelerate efforts to inventory abandoned mines on state-owned properties.
- Approved \$324,000 from special funds and resources bond funds to support the CALFED Program.

3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION

- Approved \$37 million GF to fund increased employee compensation costs associated with funding year-round fire protection statewide. Deleted \$2.9 million GF to adjust for a technical over-budgeting of employee compensation costs. Rejected Governor's proposal to augment budget by \$8.4 million GF to cover increased costs associated with a new employee compensation contract with Bargaining Unit 8 (firefighters).

- Approved trailer bill language to ensure that staffing resources supporting year-round fire protection are used to support state responsibilities (fire protection and prevention in state wildlands).
- Approved \$7 million GF to fund increased workers' compensation and unemployment insurance costs.
- Reduced by one-half the Governor's proposal to increase training and hiring of new firefighters to address increased retirements at the department, thereby approving \$2.5 million GF to fund this request.
- Approved trailer bill language to direct that revenues from timber sales on state forestland be deposited in the General Fund except for those revenues needed to manage the state demonstration forests, which are deposited in the Forest Resources Improvement Fund.
- Approved \$7 million from the Forest Resources Improvement Fund to support management of the state demonstration forests. Approved \$7 million GF to support other forestry programs, including the state nursery and seed bank program, assistance to landowners to reduce wildland fuels, pest management, and urban forestry.
- Increased by \$3 million from resources bond funds monies available for urban forestry grants in the budget year.
- Approved \$162 million (\$138 million from lease revenue bonds and \$24.2 million GF) for capital outlay projects to upgrade forest fire stations throughout the state. Also authorized the department to double its capital outlay staff over the next two years to allow the department to manage additional capital outlay projects internally.
- Approved \$159,000 from resources bond funds to support the CALFED program.

3560 STATE LANDS COMMISSION

- Approved \$2.2 million from special funds for remediation of mines and assessment of other potential hazards on state school lands.
- Approved trailer bill language to clarify that funds deposited in the School Land Bank Fund may be used to maintain and remediate hazards on state school lands.
- Approved trailer bill language to allocate tidelands oil revenues, starting in 2007-08 with a sunset of June 30, 2009, to the following priorities: \$10 million to salmon and steelhead restoration, \$5 million for coastal wetlands restoration, \$10 million for the Marine Life Management Act, \$10 million for non-game fish and wildlife, \$10 million for deferred maintenance at state parks, and \$5 million for inland wetlands and riparian habitat restoration.

3600 DEPARTMENT OF FISH AND GAME

- Approved \$6 million GF (\$2 million one-time) to implement the Marine Life Protection Act and Marine Life Management Act.

- Augmented by \$5 million GF the department's Marine Division to implement recent legislation regulating bottom trawling and the aquaculture industry.
- Approved \$1.1 million GF for early detection of avian influenza.
- Approved \$8.8 million GF (one-time) emergency levee repair and other work to repair storm damage on state-owned lands.
- Augmented by \$1.9 million GF (\$900,000 one-time) the department's land management activities and invasive species treatment. Approved supplemental report language to require an interim update of the Five-Year Infrastructure Plan that contains a complete survey of capital outlay and deferred maintenance needs for department facilities and lands, including invasive species maintenance.
- Approved \$12.1 million GF (\$9.1 million one-time) to augment resource assessment and conservation planning capabilities at the department.
- Approved \$14 million GF (\$10 million one-time) for salmon and steelhead restoration, including restoration on the Klamath River.
- Approved \$17.5 million GF to fund increased compensation for wardens. Approved trailer bill language to require wardens to be paid commensurate with other public safety employees.
- Approved \$17.1 million from special funds to support implementation of recent legislation (AB 7, Cogdill) to increase production at trout hatcheries and to augment the Wild Trout program. Implementation of this program requires \$9 million GF to ensure other programs, mainly enforcement, are not adversely impacted.
- Approved \$34.7 million GF (\$19.8 million one-time) to balance each of the various sub-accounts within the Fish and Game Preservation Fund. The Fish and Game Preservation Fund is made up of numerous sub-accounts funded by specific fees and licenses. Previously the department had borrowed from some sub-accounts to cover activities that it was not adequately funded to support.
- Approved trailer bill language to require annual reporting of the fund condition statements for each of the sub-accounts within the Fish and Game Preservation Fund.
- Approved \$750,000 from resources bond funds to support restoration activities on the San Joaquin River. Approved budget bill language to require that these funds be expended consistent with a settlement of litigation in the *Natural Resources Defense Counsel v. Rodgers* case.
- Transferred \$5 million GF (one-time) to create a new endowment account for maintenance of coastal wetlands. Approved trailer bill language to create the Coastal Wetlands Account and allocate 60 percent of the interest to the Department of Fish and Game (DFG) and 40 percent of the interest to the State Coastal Conservancy for management of coastal wetland areas.
- Approved \$3 million (\$2.2 million one-time) from various special funds and resources bond funds for management of state lands and capital outlay projects to enhance land management

objectives, including \$75,000 from the Off-Highway Vehicle (OHV) Fund for a project to restrict unauthorized OHV use on department lands.

- Approved \$36.7 million (\$878,000 GF) for DFG to implement various elements of the CALFED program. Transferred an additional \$3.2 million (\$1.1 million GF) and 38 positions from the Bay-Delta Authority to the Department of Fish and Game to provide general administrative support for the CALFED program and to continue the transfer of the Ecosystem Restoration Program from the Bay-Delta Authority to the Department of Fish and Game.

3640 WILDLIFE CONSERVATION BOARD

- Approved \$21 million from special funds and resources bond funds for purposes of restoring and enhancing wildlife habitat as required by the Habitat Conservation Fund.
- Approved \$5 million GF (one-time) for restoration and enhancements consistent with the Riparian Habitat Conservation Program and Inland Wetlands Conservation Program.
- Approved \$5 million from resources bond funds for grants to implement the Oak Woodlands Conservation Act.
- Approved \$15.2 million from resources bond funds for acquisition or restoration of habitat to promote the recovery of threatened or endangered species and to implement Natural Community Conservation Plans.

3680 DEPARTMENT OF BOATING AND WATERWAYS

- Approved \$1.9 million from federal funds to augment boating education, grants to law enforcement for boating equipment, and grants for boating trail access projects for non-motorized vessels.
- Rejected Governor's proposal to shift \$15 million from the gas tax paid by voters from the Department of Parks and Recreation to fund additional loans and grants to build and rehabilitate marinas and boat launching facilities.
- Approved \$24.4 million from special funds in loans and grants to build and rehabilitate marinas and boat launching facilities.
- Approved \$6 million from special funds for minor capital outlay projects to build or rehabilitate state-owned boat launching facilities.

3720 CALIFORNIA COASTAL COMMISSION

- Approved \$850,000 GF to address the backlog of work related to tracking, accepting and opening offers to dedicate and permitting coastal development. Offers to dedicate are mitigation tools used by the commission when permitting development within the coastal zone.
- Approved \$350,000 GF to increase the commission's review of energy-related projects, including the extension of marine oil terminal leases and liquefied natural gas proposals.

- Approved \$100,000 GF to web-cast the commission's hearings.
- Approved trailer bill language to transfer \$1 million in permit fees to the Coastal Conservancy for coastal access projects and exempt revisions to the commission's permit fee schedule from review by the Office of Administrative Law.

3760 STATE COASTAL CONSERVANCY

- Approved \$23.5 million from resources bond funds for capital projects that protect and improve coastal and San Francisco Bay watersheds.
- Approved \$8 million GF to be expended by the Ocean Protection Council pursuant to a plan jointly developed by the council and the Department of Fish and Game to implement the Marine Life Protection Act and Marine Life Management Act. Rejected the Governor's proposal to allocate \$2.6 million to the State Coastal Conservancy to fund positions at the Department of Fish and Game to implement the Marine Life Protection Act.
- Augmented by \$500,000 reimbursement contracts with the Department of Fish and Game to study the removal of fish passage impediments on the Klamath River and its tributaries.
- Augmented by \$500,000 from special funds in funding for coastal access projects to reflect an increase in permit fees transferred from the Coastal Commission.

3780 NATIVE AMERICAN HERITAGE COMMISSION

- Augmented by \$200,000 GF the commission's budget to implement recent legislation establishing a process for repatriating Native American human remains and cultural items possessed by a state or local agency or museum that receives state funds.

3790 DEPARTMENT OF PARKS AND RECREATION

- Augmented by \$250 million GF (one-time) support for deferred maintenance on State Park facilities.
- Augmented by \$10 million GF support for new and existing park facilities.
- Augmented by \$500,000 GF support for new lifeguards and upgrades to lifeguard facilities.
- Approved \$175,000 GF to support a state Main Street Program.
- Rejected the Governor's proposal to transfer \$15 million from the gas tax paid by voters from the Department of Parks and Recreation to fund loans and grants to build and rehabilitate marinas and boat launching facilities.
- Deleted \$18 million in Off-Highway Vehicle (OHV) grants.
- Approved trailer bill language to extend the OHV program and OHV commission for one year.

- Approved \$27.4 million in bond funds, special funds, and federal funds for grants to fund various local park projects.
- Approved \$11.2 million GF for modification of existing state park facilities to make them more accessible to visitors with disabilities.
- Approved \$5 million GF to start remediation efforts to address water quality issues at Empire Mine State Historic Park.
- Approved \$1.4 million GF to staff water and wastewater facilities to ensure compliance with state law.
- Approved \$25.7 million from special funds and resources bond funds for capital outlay projects to improve existing parks and acquisitions.

3810 SANTA MONICA MOUNTAINS CONSERVANCY

- Approved as budgeted.

3820 SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION

- Augmented by \$1 million GF the commission's budget to improve timeliness of permit processing, enforcement, and planning capabilities.
- Approved budget bill language to require the commission to increase its permit fees so that they cover roughly 50 percent of the cost of the commission's permit program.
- Approved \$88,000 GF to support the CALFED program.

3825 SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAINS CONSERVANCY

- Approved as budgeted.

3830 SAN JOAQUIN CONSERVANCY

- Approved as budgeted.

3835 BALDWIN HILLS CONSERVANCY

- Approved as budgeted.

3840 DELTA PROTECTION COMMISSION

- Approved as budgeted.

3845 SAN DIEGO RIVER CONSERVANCY

- Approved as budgeted.

3850 COACHELLA VALLEY MOUNTAINS CONSERVANCY

- Approved as budgeted.

3855 SIERRA NEVADA CONSERVANCY

- Approved as budgeted.

3860 DEPARTMENT OF WATER RESOURCES

- Approved \$63 million GF to cover settlements related to the *Paterno* lawsuit.
- Approved \$35 million GF to increase the Department of Water Resource's (DWR) flood management activities, including maintenance of the Central Valley flood project, floodplain management, emergency response, and a multi-year levee system reevaluation and rehabilitation project.
- Approved \$101.3 million GF for local flood control subventions and support of the local flood control subvention program.
- Approved \$41 million (\$31.4 million GF) to fund capital outlay flood management projects in the Central Valley.
- Approved 28 new positions to support recent legislation (AB 142, Nunez) that allocated \$500 million GF for emergency levee erosion repairs of 29 critical sites in the Central Valley.
- Deleted funding to support the State Reclamation Board.
- Approved \$84 million GF for the lining of the All-American Canal and other local projects that help the state live within its Colorado River allocation.
- Approved \$1 million from resources bond funds to support restoration activities on the San Joaquin River, as well as budget bill language to require that the funds be consistent with pending settlement of litigation.
- Approved \$202 million for DWR to implement various elements of the CALFED program. Transferred an additional \$1.9 million from the Bay-Delta Authority to support six positions and contracts to implement CALFED programs that were being implemented by the Bay-Delta Authority.
- Approved budget bill language to allow expenditure of funds for the South Delta Improvement Program only after the Secretary for Resources prepares a report on the actions it will take, other than study, in the next fiscal year to stabilize the ecosystem in the Delta and to address the Pelagic Organism Decline.

- Approved trailer bill language to require additional environmental review before pumping can be increased to 8,500 cubic feet/second per implementation of the South Delta Improvement Program.
- Approved budget bill language to allow expenditure of funds for the Los Vaqueros Reservoir only after regional partners in the Los Vaqueros Reservoir execute an agreement to work together and fund continued investigation of this project.
- Approved \$1.4 million from special funds to fully fund the Watermaster program.
- Rejected Governor's proposal to transfer \$11.5 million from the California Water Fund to the State Water Project for energy purchases made on behalf of the investor-owned utilities during the 2000 energy crisis.

3870 CALIFORNIA BAY-DELTA AUTHORITY

- Transferred all positions and funding for the Bay-Delta Authority to the Department of Fish and Game, Resources Agency, the Department of Water Resources, and the Department of Health Services. The Resources Agency will continue to support the public forums and stakeholder processes currently supported by the Bay-Delta Authority.

ENVIRONMENTAL PROTECTION

0555 SECRETARY FOR ENVIRONMENTAL PROTECTION

- Rejected Governor's proposal to allocate \$900,000 (\$135,000 GF) to fund studies and contracts to support the Climate Change Initiative.
- Rejected Governor's proposal to allocate \$500,000 from special funds to study options for establishing a mandatory reporting system for greenhouse gas emissions.
- Approved trailer bill language to fund activities to reduce greenhouse gas emissions. The trailer bill language will tie all funding directly to recommendations and emission reduction strategies in the Climate Action Team Report and create measurable outcomes for all funded activities.

3900 AIR RESOURCES BOARD

- Deleted \$6.5 million special funds for implementation of the Hydrogen Highway.
- Augmented by \$10 million from special funds subventions to local air districts.
- Approved \$25 million from special funds (one-time) to replace pre-1977 school buses. Approved budget bill language to redirect these funds to clean construction equipment for public agencies if the Transportation bond is passed by the voters in November 2006. The bond provides \$200 million for retrofit and replacement of school buses.
- Approved \$25 million from special funds (one-time) for air quality incentive programs to reduce emissions from locomotives, construction equipment, and dairies.
- Approved \$1.9 million from special funds to implement greenhouse gas emission reduction strategies identified by the Climate Action Team. Reduced the Governor's budget proposal by \$3.3 million from special funds.
- Approved \$4 million from special funds to increase enforcement of air quality laws.
- Approved \$1.7 million from special funds to demonstrate new technologies and develop mitigation measures to address pollution created by goods movement activities.
- Approved \$2 million from special funds (one-time) to expand grants awarded by the Innovative Clean Air Technology Grant program.
- Approved \$1 million from special funds (one-time) for contracts and to purchase additional equipment to accurately measure particulate matter emissions from heavy-duty diesel vehicles.

3910 INTEGRATED WASTE MANAGEMENT BOARD

- Rejected Governor's proposal to allocate \$466,000 from special funds to support the Climate Change Initiative.
- Augmented by \$1.2 million from special funds for enforcement and auditing of the Electronic Waste Recycling program.
- Augmented by \$5.2 million from special funds grants for using Rubberized Asphalt Concrete and enforcement of the Waste Tire Recycling Program.
- Approved trailer bill language to keep the tire fee at its existing level to maintain current level of funding for the Waste Tire Recycling Program. Current law reduces the fee by \$.25 from \$1.75 to \$1.50 effective January 1, 2007.

3930 DEPARTMENT OF PESTICIDE REGULATION

- Augmented by \$500,000 from special funds for risk assessment activities at the department.

3940 STATE WATER RESOURCES CONTROL BOARD

- Augmented by \$8.5 million from special funds (\$4 million one-time) for support of the Surface Water Ambient Monitoring Program.
- Augmented by \$3.6 million from special funds (\$2.9 million one-time) for support of the Water Rights division.
- Augmented by \$1 million from special funds for support to update water quality standards contained in basin plans.
- Approved \$20 million in resources bond funds for Integrated Regional Water Management grants.
- Approved \$18.2 million to support the CALFED program, including \$7 million for water recycling grants, \$6.2 million for watershed grants, and \$3.5 million for drinking water quality grants.

3960 DEPARTMENT OF TOXIC SUBSTANCES CONTROL

- Augmented by \$1.5 million special funds for enforcement efforts of the Electronic Waste Recycling Program.
- Approved trailer bill language to expand the environmental fee to cover all businesses with 50 or more employees.

3980 OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT

- Augmented by \$266,000 special funds to support Proposition 65 work related to identifying "safe" levels of toxic substances.

- Approved \$125,000 GF to implement recently enacted legislation which set a maximum lead standard for certain candies.

ENERGY AND UTILITIES

3360 CALIFORNIA ENERGY COMMISSION

- Approved \$874,000 from special funds to develop and maintain a dynamic simulation model of the California transportation energy market.
- Rejected Governor's proposal to allocate \$612,000 from special funds to support the climate change initiative.
- Deleted from the budget \$69.8 million in special funds for the Public Interest Energy Research Development and Demonstration program and adopted trailer bill language to reauthorize this program and allocate the monies for the budget year.
- Deleted from the budget \$1.7 million from special funds for the Public Interest Energy Research Natural Gas program and adopted trailer bill language to establish this program and allocate the monies for the budget year.
- Deleted from the budget \$5.4 million from special funds for the Renewable Energy program and adopted trailer bill language to reauthorize this program and allocate the monies for the budget year.

8660 CALIFORNIA PUBLIC UTILITIES COMMISSION

- Approved \$12.8 million from special funds to implement the commission's Telecommunications Bill of Rights, which requires the commission to improve its complaint tracking and investigation efforts and establish a public outreach campaign.
- Augmented by \$1.4 million from special funds staffing to enhance rail safety through additional accident investigations, evaluation of quiet zone notices, railroad inspections, and oversight of transit security programs.
- Approved \$1.1 million from special funds to support six new positions and six positions redirected from the Payphone Programs to support implementation of the Climate Change Initiative.
- Augmented by \$2 million special funds and 20 positions to support the Division of Ratepayer Advocates to address outstanding staffing needs related to water and telecommunications regulatory proceedings.
- Augmented by \$188,000 special funds and three positions to support the Deaf and Disabled Telecommunications Program and provide increased regulatory presence at the federal government.

- Augmented by \$3.3 million special funds and 27 positions support to the Energy Division in addressing workload associated with new statutory mandates placed on the commission and workload associated with recent proceedings to implement the Joint Energy Action Plan. This includes additional positions for transmission siting, energy supply reliability, and energy efficiency.
- Approved trailer bill language to require that incentives paid to large solar installations be based on actual electric output.

8770 ELECTRICITY OVERSIGHT BOARD

- Approved as budgeted.

FOOD AND AGRICULTURE

7300 AGRICULTURAL LABOR RELATIONS BOARD

- Approved as budgeted.

8570 DEPARTMENT OF FOOD AND AGRICULTURE

- Approved \$5.2 million (\$1.6 million GF) for support of a new program to address emerging threats to the food supply. Shifted \$3.6 million of this proposal to special and federal funds and reduced the Governor's overall proposal by \$2 million.
- Approved \$3.5 million GF to eradicate recent outbreaks of the Diaprepes Root Weevil in Southern California.
- Approved \$2.5 million GF to support the Weed Management Areas program.
- Approved \$385,000 (\$135,000 GF) to support the conversion of the department's accounting systems to the CalSTARS system.
- Approved \$190,000 GF to support a one-year pilot program to determine the pest introduction risk from private vehicles entering the state.